



T.J. BARNWELL UTILITY, INC.

Post Office Box 1028  
Beaufort, SC 29901-1028

(843) 982-0405 fax: 982-0707

January 23, 2018

**VIA E-MAIL**

The Honorable Jocelyn G. Boyd  
Chief Clerk/ Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Order 2018-381-A  
T.J. Barnwell Utility, Inc.

Dear Ms. Boyd:

As required by PSCSC Order 2018-381-A, T.J. Barnwell Utility, Inc. (TJB) hereby submits this report.

The federal tax cut approved in December 2017 would lower our corporate tax rate from 35% to 21%. The potential difference in our taxes is very slight and would result in an insignificant reduced tax exposure. This would amount to a *de minimis* refund or rate reduction per customer per month. If TJB were required to prepare a rate case for lower rates based on the tax cut, TJB believes it would spend significantly more money on the rate case than the estimated tax difference.

A PSCSC decision on whether to issue a refund should be based on the last fiscal year pro forma adjusted for known adjustments for 2018. That decision should fully evaluate and understand the consequences, particularly on small utilities.

Finally, if the administrative cost of providing the refund is greater than the amount of the actual refund, the utility should be exempted from making any potential refund or reducing its rates. And, a refund or rate reduction should be ordered only after a utility is given an opportunity to be heard.

Based on the above conditions, TJB believes it should not be required to adjust its rates or issue a refund due to the federal tax cut.

**RECEIVED**

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PSC SC  
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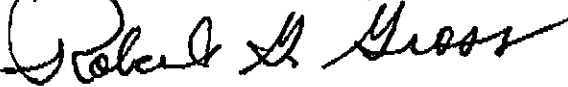
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TJB believes that the PSC should require such reports based on class and that smaller utilities should not be required to issue a refund or be required to reduce its rates.

Please let me know if you need any additional information.

Sincerely,

TJ. BARNWELL UTILITY, INC.

A handwritten signature in black ink, appearing to read "Robert G. Gross", written over a horizontal line.

Robert G. Gross  
President

Copy: Mr. Willie Morgan - Office of Regulatory Staff